

**LEGISLATIVE FISCAL OFFICE
Fiscal Note**



Fiscal Note On: **HB 473** HLS 21RS 634
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 4, 2021	5:15 PM	Author: MINCEY
Dept./Agy.: ATC		Analyst: Benjamin Vincent
Subject: Age Limitation: Tobacco & Vapor Products		

TOBACCO/TOBACCO PRODUCTS EG DECREASE GF RV See Note Page 1 of 1
 Provides relative to the age limitations to purchase vapor products

Proposed law increases the minimum age for purchase or possession of tobacco products, alternative nicotine products, or vapor products, from 18 to 21 years of age. Proposed law additionally requires certain consumer notifications to be conspicuously placed at points of sale and vending machines, and requires the commissioner of the Office of Alcohol and Tobacco Control (ATC) to conduct follow-up checks on dealers who are found to be noncompliant during existing inspections.

Effective August 1, 2021.

EXPENDITURES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

REVENUES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

EXPENDITURE EXPLANATION

Proposed law does not require additional initial ATC inspections, however it does require unannounced follow-up inspections on noncompliant retailers. The follow-up provision may cause an increase in agency effort. At the time of this analysis, LFO has not received information of current compliance check costs, or the additional burden implied by the follow-up provision in proposed law.

REVENUE EXPLANATION

Proposed law increases the minimum age for legal purchase of tobacco, alternative nicotine, and vapor products. To the extent that purchases of these products are made by individuals aged 18-20, tobacco tax revenues will decrease, primarily reducing state general fund revenues. The magnitude of this revenue impact is currently indeterminable, as data on sales by age for these transactions is not readily available.

The bill notes in its findings section that the federal minimum of 21 years of age to purchase tobacco products will be enforced via the Substance Abuse Prevention and Treatment Block Grant program, and that following a three-year transition period, states that fail to enforce compliance may not receive their full award under the program. At the time of this analysis, LFO does not have information on the magnitude of such grants to the state of Louisiana.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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